

NORTHLAND OILS LIMITED

NOTICE OF ANNUAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of Northland Oils Limited will be held at the offices of the Company at 209 Eighth Avenue, S.W., Calgary, Alberta, on Friday, November 28, 1969, at 10:30 o'clock in the forenoon, Mountain Standard Time, for the purpose of:

- (a) Receiving and considering the Report of the Directors and the Financial Statements for the year ended May 31, 1969, and the Report of the Auditors thereon;
- (b) Electing Directors;
- (c) Appointing Auditors; and
- (d) Transacting such further and other business as may properly be brought before the Meeting or any adjournment thereof.

The stock transfer records will not be closed, but pursuant to the Articles of Association of the Company only Shareholders of record at the close of business on November 21, 1969 shall be entitled to vote at such Meeting either in person or by proxy. Evidence of the authorization of a proxy is required to be deposited in the registered offices of the Company not less than 48 hours before the time fixed for the Meeting.

By Order of the Board of Directors,

W. G. NICHOLS,
Secretary-Treasurer.

October 27, 1969

NORTHLAND OILS LIMITED

INFORMATION CIRCULAR

This information circular is furnished by the Management of NORTHLAND OILS LIMITED in connection with the solicitation of proxies to be used at the Annual General Meeting of Shareholders of the Company called for November 28, 1969 for the purposes set forth in the preceding notice.

Solicitation will be by mail, supplemented by telephone or other personal contact to be made without special compensation by regular officers and employees of the Company. The Company may reimburse shareholders' nominees or agents for the costs incurred in obtaining from their principals authorization to execute forms of proxy. The entire cost of solicitation will be borne by the Company.

If the accompanying separate proxy form is executed and returned it may nevertheless be revoked in writing at any time.

ELECTION OF DIRECTORS

Directors are to be elected to hold office until the next annual general meeting and until their successors are elected and shall qualify.

Proxy forms which are given pursuant to this solicitation will be voted for the election of the nominees whose names are set forth herein:

<u>Nominees for Directors and Principal Occupation in each case for a period in excess of the five preceding years.</u>	<u>Director Since</u>	<u>Approximate number of Equity Shares of the Company Beneficially Owned, Directly and Indirectly as of October 27, 1969</u>
J. R. Latimer, Jr., President of the Company; President of National Petroleum Corporation Limited and President of Permeator Corporation.	July 7 1969	1,000 Shares
Dale J. Bertling, President BRF Resources, Inc., oil and gas development.		1,000 Shares
Herbert M. Zandmer, Vice-President of National Petroleum Corporation Limited and Vice-President of Permeator Corporation.		22,125 Shares

Mr. J. R. Latimer, Jr., since April 1, 1969 has been President of Permeator Corporation and President of National Petroleum Corporation Limited since May 28, 1969. Prior thereto from January 1965 he was an independent Consultant for Petroleum Management. Prior thereto for a period of seven years he was Chief Reservoir Engineer for the Hunt Oil Company. He is a Registered Professional Engineer.

Mr. Dale J. Bertling since January 1969 has been President of BRF Resources Inc. For a period of six years until May, 1962 he was Senior Engineer Advanced Design for McDonnell Aircraft Corporation. In May, 1962 he was a Vice-President for Cepco, Inc. (manufacturer of lighting fixtures and panels), a wholly-owned subsidiary of Compumatix, Inc. and from June, 1964 to August, 1967 President of Compumatix, Inc. (computer data processing and service). On the merger of that company into Siboney Corporation he became President of the PDL Division of Siboney Corporation (training films and programme materials). Between October, 1968 and January, 1969 he was a private investor.

Herbert M. Zandmer has been a Vice-President of Permeator Corporation and a Vice-President of National Petroleum Corporation Limited for a period in excess of five years.

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

No remuneration was paid by the Company to Officers and Directors for the fiscal year ended May 31, 1969.

The Company has no pension or retirement plan, nor any option plan to purchase capital securities of the Company.

APPOINTMENT OF AUDITORS

Thorne, Gunn, Helliwell & Christenson are the auditors of the Company and have held such position for the past three years. It is proposed by the Management of the Company that such firm be re-appointed the auditors of the Company at the Annual General Meeting.

Unless otherwise instructed, proxy forms which are received pursuant to this solicitation will be voted for the re-appointment of Thorne, Gunn, Helliwell & Christenson as auditors of the Company.

VOTING OF SHARES AND PRINCIPAL HOLDERS THEREOF

There are outstanding 4,938,590 shares having a par value of 20c each in the capital of the Company entitled to be voted at the Meeting. Each share is entitled to one vote. All Shareholders of record on November 21, 1969 are entitled to vote, but those desiring to be represented thereat by proxy must deposit their forms of proxy with the Company on or before 10:30 o'clock in the forenoon M.S.T. (Mountain Standard Time), on November 26, 1969.

National Petroleum Corporation Limited is the beneficial owner of 1,670,570 shares of the Company's capital stock. This total represents approximately 33.83% of the outstanding voting securities of the Company.

DESIGNATION OF PROXY

The persons named in the enclosed Instrument of Proxy have indicated to the Company their willingness to represent as proxy shareholders desiring to so appoint them. If, however, a shareholder desires to appoint as proxy a person other than those designated, he should strike out the names of the persons designated in the Instrument of Proxy and insert the name of his representative in the space provided therefor. The person appointed to act as proxy need not be a shareholder. If the appointer is a corporation, the instrument appointing a proxy should be signed by the duly authorized officers of the corporation and must be under corporate seal.

OTHER BUSINESS

The Management is not aware of any matters to come before the meeting other than as set forth in the Notice of Meeting. Should other matters come before the meeting it is the intention of the proxy named in the accompanying proxy form to vote the same in accordance with his best judgment on such matters.

The shares represented by proxy forms received pursuant to the solicitation will be voted for items listed on the proxy form unless the shareholder otherwise directs in which case the shares will be voted in accordance with such direction.

By Order of the Board of Directors,

W. G. NICHOLS,
Secretary-Treasurer.

Calgary, Alberta.

October 27, 1969

AR16

**NORTHLAND
OILS LIMITED**

**Annual
Report
1969**

**CALGARY
ALBERTA
CANADA**

DIRECTORS:

GEORGE A. HARRIS, Calgary, Alberta

GORDON S. HOUGHTON, West Summerland, B.C. (Resigned July 7, 1969)

J. R. LATIMER, JR., Dallas Texas (Elected July 7, 1969)

S. MYRON ZANDMER, Banff, Alberta

OFFICERS:

S. MYRON ZANDMER, President (Resigned July 7, 1969)

J. R. LATIMER, JR., President (Elected July 7, 1969)

GEORGE A. HARRIS, Vice-President

W. G. NICHOLS, Secretary-Treasurer

On July 7, 1969, J. R. Latimer, Jr. was elected President and Director of the Company upon resignation of S. Myron Zandmer. During his previous 22 years in the oil industry, Mr. J. R. Latimer, Jr. had been a Consultant for Petroleum Management, was chief reservoir engineer for Hunt Oil Company, and had been with Humble Oil and Refining Company. A graduate of Texas A & M University, he was granted a patent on an oil recovery process and is the author of a number of technical papers and articles. He is a Registered Professional Engineer and is a member of the Society of Petroleum Engineers.

AUDITORS:

THORNE, GUNN, HELLIWELL & CHRISTENSON, Calgary, Alberta

STOCK EXCHANGE LISTINGS:

THE COMPANY'S shares are listed for trading on the Toronto Stock Exchange and on the Calgary Stock Exchange.

TRANSFER AGENT AND REGISTRAR:

GUARANTY TRUST COMPANY OF CANADA, at Toronto, Ontario and Calgary, Alberta.

This annual report is submitted for the general information of existing shareholders exclusively and is not intended to induce the purchase or sale of the Company's shares.

Report of the President

TO THE SHAREHOLDERS
NORTHLAND OILS LIMITED

Northland Oils Limited has broadened its range of activities during the past year and it is expected to reach further in the coming year. In association with National Petroleum Corporation Limited and Permeator Corporation a number of oil and high pressure gas wells have been acquired in Texas in which it is anticipated Permeator Corporation's PERMAFLOW* and PERMAFIX** chemicals will have a favourable effect in controlling loose sand and in increasing production. Broadening of this programme will afford the Company a unique opportunity to participate in oil and gas ventures with good potential.

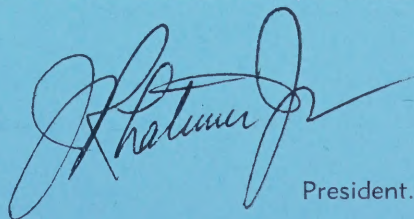
Northland's participation is financed out of the \$99,000.00 proceeds from convertible debentures issued in 1968 which were converted by the issuance of 330,000 shares of capital stock on June 6, 1969. Warrants attached to the convertible debentures provide for possible further financing, as they may be exercised on or before June 5, 1970 by the payment of \$165,000.00 to your Company for an additional 330,000 shares of capital stock.

Northland Oils Limited holds 20,000 shares of Permeator Corporation stock which had a market value of approximately \$500,000 (U.S.) on October 24, 1969.

Operations on the West Virginia properties acquired in 1968 are presently centred on developing a waterflood secondary oil recovery programme in the area where the Company has an interest in 122 oil and gas wells. Two wells were drilled for gas in West Virginia in 1969 but the potential of the gas acreage (more than 6,000 acres) has not yet been fully evaluated.

The Company's management plans to broaden its interests in oil and gas properties in association with Permeator Corporation and others, to achieve benefits from Permeator Corporation's PERMAFLOW* and PERMAFIX** chemicals for controlling loose sands and clays in oil and gas producing formations. Activities are planned for both Canada and the United States.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "J. H. Stetson Jr.", is written over a light blue background.

President.

October 27, 1969

*PERMAFLOW and **PERMAFIX are trademarks of Permeator Corporation.

Northland
(INCORPORATED UNDER THE
BALANCE SHEET
(with comparative figures for 1968)

A S S E T S

Current Assets	<u>1969</u>	<u>1968</u>
Cash and bank deposit receipts	\$ 88,919	\$ 318
Accounts receivable	1,282	489
Inventory of crude oil, at net realizable value	2,087	1,995
	<u>92,288</u>	<u>2,802</u>
 Investments		
Channel Oils Ltd. (note 1)		
Shares, at cost	500	500
Advances, less allowance of \$260,244 (1968 - \$255,413)	37,719	28,445
	<u>38,219</u>	<u>28,945</u>
20,000 shares of Permeator Corporation, at cost (quoted market value 1969, \$734,400; 1968, \$505,000)	105,064	105,064
Royalty interest, at cost	6,562	6,562
	<u>149,845</u>	<u>140,571</u>
 Fixed Assets (note 2)		
Leases, development and equipment, at cost	986,226	983,551
Less accumulated amortization and depreciation	424,023	394,149
	<u>562,203</u>	<u>589,402</u>
 Other Assets		
Organization costs	8,434	8,434
	<u>\$812,770</u>	<u>\$741,209</u>

AUDITOR'S REPORT

To the Shareholders of Northland Oils Limited:

We have examined the balance sheet of Northland Oils Limited as at July 16th, 1969, and the results of its operations and the source and application of funds for the year ended July 16th, 1969, and the accounting procedures and such tests of accounting records as we considered appropriate in the circumstances.

In our opinion these financial statements present a true and fair view of the financial position of Northland Oils Limited as at July 16th, 1969, and the results of its operations and the source and application of funds for the year ended July 16th, 1969, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

CALGARY, Alberta
July 16th, 1969.

Oils Limited

(THE LAWS OF ALBERTA)

— May 31, 1969

(Assets at May 31, 1968)

LIABILITIES

Current Liabilities	1969	1968
Accounts payable and accrued liabilities	\$ 22,900	\$ 21,691
Demand notes payable to National Petroleum Corporation Limited	—	37,859
	<u>22,900</u>	<u>59,550</u>
 Long-Term Debt		
6% Convertible debenture due June 5, 1970 (note 3)	99,000	—
6¾% Notes payable to National Petroleum Corporation Limited due September, 1970	52,464	—
	<u>151,464</u>	<u>—</u>

SHAREHOLDERS' EQUITY

Capital Stock (note 3)		
Authorized		
5,500,000 common shares of 20c par value		
Issued		
4,608,590 shares	921,718	921,718
 Contributed Surplus, premium on issue and on conversion of shares	460,025	460,629
	<u>1,381,743</u>	<u>1,382,347</u>
 Deficit	(743,337)	(700,688)
	<u>638,406</u>	<u>681,659</u>
 Approved by the Board:		
S. MYRON ZANDMER, Director		
GEORGE A. HARRIS, Director		
	<u>\$812,770</u>	<u>\$741,209</u>

REPORT

Limited as at May 31, 1969 and the statements of income then ended. Our examination included a general review of the and other supporting evidence as we considered necessary in

the financial position of the company as at May 31, 1969 of its funds for the year then ended, in accordance with consistent with that of the preceding year.

HORNE, GUNN, HELLIWELL & CHRISTENSON,
Chartered Accountants.

